

DURATION :- 2 ½ Hours

TOTAL MARKS :- 75

## INSTRUCTIONS: -

1. All questions are compulsory.
2. Use of only simple calculator is allowed.
3. Figures on the right-hand side indicates total marks.

## Q.1.[A] Multiple Choice Questions [Attempt Any 8]

[08 Marks]

1. Free refreshments provided by an employer to an employee in the office premises is fully \_\_\_\_\_ [Exempt/Taxable/Ignored/Illegal]
2. Maximum amount of Gratuity for exemption is \_\_\_\_\_. [20 Lakhs/25 Lakhs/10 Lakhs/15 Lakhs]
3. Deduction U/s 80 D is applicable if Mediclaim insurance premium is only paid by \_\_\_\_\_. [Cheque/Cash/Gold/Foreign Currency]
4. Deduction U/s \_\_\_\_\_ is for Income from House property. [16/24/10/2]
5. Residential status of an Assessee is not dependent on the \_\_\_\_\_ of a person. [nationality /Stay in India/Tenure in India/Occupancy in India]
6. Past untaxed profit subsequently brought to India with reference to scope of total income is \_\_\_\_\_. [Taxable/Exempt/Ignored/Considered]
7. Income earned through units of Unit Trust of India is fully \_\_\_\_\_. [Taxable/Exempt/Ignored/Considered]
8. Award received by an Assessee from Government of India is fully \_\_\_\_\_. [Taxable/Exempt/Ignored/Considered]
9. Contribution towards statutory provident fund by an employee is always \_\_\_\_\_. [Taxable/Exempt/Ignored/Considered]
10. Section \_\_\_\_\_ is applicable as deduction for relative of a dependent Handicapped person. [80 U/80 E/80 DD/80 C]

## Q.1.[B] True or False [Attempt Any 7]

[07 Marks]

1. Income Tax is chargeable on Indian Income only.
2. Income earned in Previous Year is taxable in Assessment Year.
3. Bonus promised but not paid by the employer is also taxable.
4. Entertainment Allowance received by private employees is eligible for deduction.
5. Rent from similar property in a similar locality is known as Fair rent.
6. All Personal expenses are disallowed business expenses as per Income Tax.
7. Salary paid to staff is allowed business expense as per Income tax.
8. Jewelry is a capital asset as per Income Tax.
9. No deduction is allowed on Winnings in case of income from other sources.
10. Section 80 U is applicable as deduction for all Handicapped person.

Q.2. [A] Determine Mr. Shin Chan's residential status for the Assessment Year 2025-2026, given the following details

[15 Marks]

- He arrived in India for the first time on April 1, 2020, and started a business in Delhi.
  - He departed for America on May 1, 2024, for a business trip.
  - He returned to India on January 1, 2025, and remained in India thereafter.
- Calculate his residential status for the Assessment Year 2025-2026 based on his stay in India during the Previous Year 2024-2025.

Provide all necessary workings to support the determination of his residential status

OR

**Q.2. [B]** Calculate the taxable income from long-term capital gains for Mr Abhijit for the Previous Year 2024-2025, given the following details: **[15 Marks]**

- Purchase of flat on July 1, 1991: ₹ 5,00,000.
- FMV as on 1<sup>st</sup> April 2001 Rs. 24,00,000
- Renovation on August 1, 2019: ₹ 60,000.
- Renovation on December 4, 2021: ₹ 3,20,000.
- Sale of flat on November 30, 2024: ₹ 2,00,00,000.
- He purchased a new flat on 2/3/25 for Rs. 60,00,000

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Determine the taxable long-term capital gains for Mr. Abhijit.

**Q.3. [A]** Mr. Sunil a handicapped person (82% severity) is employed with the Central Government, gives the following details for the previous year P.Y. 2024 – 2025. Calculate his Gross Total Income for the assessment year 25-26 **as per the old tax regime**

- 1] Basic Salary ₹ 80,000 per month. (Gross)
- 2] Dearness Allowance ₹ 20,000 per month.
- 3] Uniform Allowance ₹ 7,000 [Amount spent ₹ 5000].
- 4] Research Allowance ₹ 1,000 p.m. [Amount spent ₹ 900 p.m.]
- 5] Children Education Allowance ₹ 24,000 [4 Children].
- 6] Entertainment Allowance ₹ 8,000 per month.
- 7] Commutation Allowance ₹ 10,000 per month
- 8] House Rent Allowance ₹ 25,000 p.m. [Amount Exempt u/s 10(13A) ₹ 5,000 p.m.]
- 9] Medical Allowance ₹ 60,000.

**Other Information**

1. Dividend from a Russian Company ₹ 20,000
2. Interest on Saving Account Rs.12,000
3. Winnings from games ₹ 7,000.
4. Interest on Debentures ₹ 3,500.
5. He has also invested in Sukanya Samridhi Yojana paying an annual premium of Rs. 1,00,000 in this previous year.

**OR**

**Q,3 B.** Mr. Shekhar is the owner of 3 house property the details of which is as follows Calculate his Gross Total Income for the assessment year 25-26 **as per the old tax regime**

PARTICULARS	H1(LOP)	H2(SOP)	H3 (used for Business and Profession)
Municipal Value	4,00,000	2,00,000	2,00,000
Reasonable Rent	4,30,000	90,000	1,20,000
Standard Rent	4,10,000	1,10,000	1,80,000
Rent per annum	4,46,000	-	-
Unrealized Rent	46,000	-	-
Total Municipal Tax Paid	40,000	20,000	20,000
<b>Municipal Tax paid</b>			
Paid by the Landlord	60%	100%	100%
Paid by the Tenant	40%	-	-
Interest on Housing Loan	50,000	52,000	55,000

**Other information**

1. Dividend from Indian Company ₹ 12,000
2. Interest on Fixed deposit Rs.15,000
3. Winning from Horse Race Rs.12,000
4. Received a gift from his friend Rs.65,000 on the occasion of his birthday.
5. He invested Rs 55,000 in PPF, and NSC Rs.25,000

**Q.4. [A]** Ms. Nilam Patel an Indian Citizen, who furnishes the following particulars of her income earned during the previous year 2024 – 2025. **[15 Marks]**

1. Pension from an Indian employer received in Dubai ₹ 42,000.
2. Profit from business at Ahmedabad & Managed from Australia ₹ 50,000.
3. Income earned from business in U.K. which is controlled from Bhopal ₹ 20,000
4. Past untaxed profit brought to India ₹ 5,00,000.
5. Income from agricultural land in Japan ₹ 15,000 received in India.
6. Gift received from friend worth ₹ 80,000 in India.
7. Dividend from Italian company received in India ₹ 8,000.
8. Profit earned from business in Nepal which is controlled from Udaipur ₹ 36,000
9. Income earned from business at Mumbai manages and controlled in Maldives ₹ 52,000.
10. Income from Business in Tanzania which was set up in India received in Tanzania ₹ 25,000.

Determine the Gross Total Taxable Income of Ms. Nilam Patel for the Assessment year 2025–2026 if she is

- a) Resident and Ordinarily Resident or
- b) Resident but not an Ordinarily Resident or
- c) Non-Resident

**OR**

**Q.4. [B]** **[15 Marks]**

Mrs. Jaya is the owner of a business unit. Following is her Profit & Loss account for the previous year ended 31st March 2025.

PARTICULARS	₹	PARTICULARS	₹
To Salaries	3,00,000	By Gross Profit	4,20,000
To Rent	22,000	By Gift from Husband	20,000
To Rent & Taxes	30,000	By Winning from lottery	70,000
To Advertisment	16,000	By Agricultural Income	44,000
To Embezzlement of Cash by the Cashier	8,000	By Interest on Government securities	7,000
To Penalty for Breach of Contract [Late Delivery]	10,000	Interest from FD	23,000
To Interest on Capital	15,000		
To Depreciation	16,000		
To Net Profit	1,67,000		
	<b>5,84,000</b>		<b>584000</b>

**ADDITIONAL INFORMATION**

1. Depreciation as per Income Tax Rules ₹ 20,000.
2. 20% rent paid for his residential house
3. Rs. 8000 advertisement is done for Suvinor for political party.

Mrs. Jaya paid ₹ 50,000 on Mediclaim for self, spouse and dependent children. She has also spent Rs. 10,000 on Pension Scheme offered by HDFC bank.

On the basis of above information compute her total taxable income for the assessment 2025 – 2026 as per the old tax regime.

- Q.5. A] Explain the conditions of resident and ordinary resident  
B] Explain Deductions under Section 80 C and 80 D.

[8 Marks]

[7 Marks]

OR

- Q.5. [B] Write Short Notes [Attempt any 3]

[15 Marks]

1. Capital Asset
2. Deductions under Section 80 U and 80 E
3. Pension
4. Deduction under section 16 (salary)
5. Person

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